

ORDINANCE NO. BL2018-1293

An ordinance amending Title 5 of the Metropolitan Code to impose a privilege tax on the sale of tickets to events at the new Major League Soccer stadium.

WHEREAS, on November 7, 2017, the Metropolitan County Council ("Metro Council") adopted Substitute Resolution No. RS2017-910, conditionally approving the issuance of public facility revenue improvement bonds by the Sports Authority of the Metropolitan Government of Nashville and Davidson County ("Authority") for the construction of a new Major League Soccer stadium (the "Stadium") at the Fairgrounds Nashville located at 300 Rains Avenue; and,

WHEREAS, Metropolitan Government of Nashville and Davidson County ("Metro") and the Fair Board of the Metropolitan Government of Nashville and Davidson County ("Fair Board") have determined that the construction of the Stadium and related facilities at the Fairgrounds Nashville will improve and enhance the Fairgrounds Nashville; and

WHEREAS, prior to the issuance of debt by the Authority, Substitute Resolution No. RS2017-910 further provides that the Metro Council must approve a ticket tax pursuant to Section 7-3-202 or 7-3-204, Tennessee Code Annotated, in the amount of one dollar seventy-five cents (\$1.75) per ticket sold or given away during years one through five of the Lease Agreement entered into between the Authority and Walsh Management LLC (the "Stadium Lease"), two dollars twenty-five cents (\$2.25) per ticket sold or given away during years six and seven, and two dollars fifty cents (\$2.50) after year seven of the Stadium Lease, with a portion of the tax after year five of the Stadium's operation to be deposited into a reserve account maintained by the Metropolitan Department of Finance to be used for long-term capital expenditures at the Stadium; and

WHEREAS, Section 7-3-204, Tennessee Code Annotated, authorizes the Metro Council to enact a privilege tax upon the privilege of attending any event at a municipal stadium in an amount not to exceed ten percent (10%) of the consideration charged for spectators attending the event.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That Chapter 5.14 of the Metropolitan Code is hereby amended as follows:

I. By amending Section 5.14.010 to add the following new definition:

"Municipal soccer stadium" means a structure with seats for not less than thirty thousand (30,000) spectators, which is constructed after July 7, 1977, and which is used primarily for professional soccer events and other related activities and is currently financed or was financed by general obligation bonds, revenue bonds, or other indebtedness issued by a metropolitan government or any public instrumentality of a metropolitan government.

II. By amending Section 5.14.020 by adding the following new subsection B. and re-lettering the remaining subsections accordingly:

"B. Municipal soccer stadium.

1. In lieu of the provisions of subsection A. of this section, there is levied a privilege tax upon the privilege of attending any event at the municipal soccer stadium. The amount shall be three dollars (\$3.00) per ticket. To the extent the tax exceeds ten percent of the consideration charged for a ticket, the tax will be limited to ten percent of the ticket price.

2. One dollar seventy-five cents (\$1.75) of the ticket tax for the municipal soccer stadium will be dedicated to the payment of debt service on the bonds for the construction of the municipal soccer stadium. The amount of the ticket tax above one dollar seventy-five cents (\$1.75) per ticket shall be deposited into a reserve account maintained by the metropolitan finance department to be used for long-term capital expenditures at the municipal soccer stadium."

Section 2. This ordinance shall take effect from and after its final passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

Erica Gilmore
Member of Council, At Large